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CENTRAL INTELLIGENCE AGENCY REPORT [redacted]

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THIS IS UNEVALUATED INFORMATION

[redacted]

1. The central agency in control of the build-up of the aircraft industry in the GDR is officially called Verwaltung fuer Industriebedarf (Administration for Industrial Requirements) (VfI) and is located at Pirna. The previous official designation was HV 18. The agency is directly subordinate to the Ministry of the Interior and its budget is included in the over-all budget of this ministry. The VfI is not in direct contact with any of the ministries of the GDR. All communications are directed through a liaison office attached to the Amt fuer Technik (technical office) in Berlin.[1] 25X1
One Slatosh (fnu) was chief of this liaison office which was located at 32/34 Waldow Allee, Berlin-Karlshorst. Slatosh or his deputies frequently confer with Interior Minister Stoph and Ulbricht. VfI liaison officer to the SED Central Committee was one Otto (fnu). Otto, who is himself a member of the Central Committee, was previously liaison officer of the Ministry for Transportation Machinery to the Central Committee. He subsequently studied in the USSR. 25X1 25X1

2. The following information was available on the organizational setup of the VfI:

a) Chief: Paetzold (fnu), [redacted]

b) First deputy chief in charge of technical matters: Dr. Ing. Brunolf Baade.
Second deputy chief in charge of political matters: Packhaeuser, [redacted] 25X1
Third deputy and business manager: Kuehnel.
Fourth deputy in charge of planning (Aufbau): The post was not filled in June 1955.[3]

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The technical manager is in charge of three departments:

(1) Development Department (1. Sektor). Chief of this department is one Wolf (fnu), [redacted] 25X1

(2) Department for [redacted]ktor), chief of the department is Dr. Boris [redacted] 25X1

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(3) Sales and Cooperation Department (3. Sektor).
Chief of this department is one Kuenzel (fnu) 25X1

The business manager controlled the following departments:

Main Department for Materials Supply
Finance Department
Budget Department
Administrative Department
Legal Department, headed by one Hennig (fnu).

Except for the Main Department for Materials Supply, all the main departments of the VfI are directly subordinate to the chief of the VfI.

Chief of the Main Department for Cadres is one Hammer (fnu), 25X1
Hammer 25X1
was previously assigned to the Amt fuer Technik . Chief of the Main Department for Investments is one Rentsch (fnu) 25X1
In early May 1955, Braune (fnu), the previous chief of the Main Department for Investments was made chief of the Engineering Department. A Main Accounting Department is also in existence at the VfI.

3. The following enterprises were controlled by the three Sektoren (departments) of the VfI:

a) Development Department:
VEB Maschinen- und Apparatebau (nationalized machine and apparatus factory) at Dresden-Klotzsche. The factory is being established in the area of the Dresden-Klotzsche airfield and has been designed to become an air frame development plant. Technical manager of the enterprise is Fritz Freytag.
. The plant employs 300 to 350 workers. Most of the technical personnel still work at Pirna-Sonnenstein.
VEB Development Plant at Pirna-Sonnenstein.
The manager of the plant is Dr. Scheinost, 25X1
The enterprise employed 700 to 800 workers. Work was concentrated 25X1
on the development of aircraft power plants.
VEB Lommatzsch: 25X1 25X1
The installation was formerly a state-reserve depot. Manager of the 25X1
enterprise is one Elsner (fnu),
Technical manager is one Koessing (fnu).

b) The Department for Quantity Production controlled the following enterprises: 25X1
VEB Dresden-Nord.
This enterprise was located in the workshops of VEB Papierverarbeitungswerk in Dresden (paper processing mill) located in the area of the former Industriegelaende in Dresden and in the workshops of Werk II of the Sachsenwerk Plant at Niedersedlitz. Manager of VEB Dresden-Nord is one Lehr (fnu) and technical manager of the plant is one Freundel (fnu).
The plant employed about 350 workers and is scheduled to become the main plant for the quantity production of air frames.
VEB Industriewerk Karl-Marx-Stadt, previously Buromaschinenwerke Wanderer (Wanderer Office Machine Plant).
Chief of the plant is one Ungethuem (fnu) and technical manager is Makella (fnu).

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The enterprise employs approximately 2,000 workers. The manufacture of office machinery is to be discontinued in late 1955.
VEB Industriewerk Karl-Marx Stadt is scheduled to become the main factory for the quantity production of power plants. New test stands were being installed in the area of the Wiesengrund Laubenkolonie (garden plots) immediately adjacent to the area of subject installation. In June 1955, the plant was equipped with a provisional test stand for repair work on YAK-11 and YAK-18 aircraft for Kamenz Aeroclub. The installation employed about 2,000 workers.

c) The Sales and Cooperation Department controlled the following enterprises:
VEB Maschinen- und Apparatebau (factory for machine and apparatus construction) at Schkeuditz. Manager of the plant is one Wend (fnu). In June 1955, the enterprise employed about 1,200 workers. The manufacture of apparatus for the chemical industry is to be discontinued in late 1955. During the reported period repair work on type YAK-11 and YAK-18 air frames was done for Aeroclub Kamenz. The enterprise is scheduled to manufacture appliances and tools for the air armament industry.
VEB Geraetelager (storage depot for equipment) in Freiberg/Saxony, previously the Feinzink Shop of VEB Muldenhuetten Freiberg, with attached storage depot at Erfenschlag near Karl-Marx-Stadt. All materials and equipment furnished by the USSR for the quantity production of aircraft under Soviet licence were stored at the installation. In June 1955, Soviet aircraft models, crated IL 14s, arrived at Freiberg.

4. The following institutes which were scheduled to do development work and which were in process of organisation were directly assigned to the chief of VfI:
Institute for Materials at Pirna-Sonnenstein. This institute is headed by Dipl. Ing. Heinz Kitner, [redacted] 25X1
Institute for Measuring and Testing Techniques.
Institute for Standardization Matters.
Institute for Radio and Air Navigation Equipment.
Central Designs Bureau for Electrical Equipment.
Central Photographic Office
Technical Library.

5. A total of 7.2 million DME is scheduled to be spent on the establishment of the Technical College for Light Construction in Dresden until 1957. A sum of 0.4 million DME has been allocated for 1955. The only information available is that the college has been charged with the trainings of engineers scheduled to work in the aircraft industry.

6. The entire installation at Pirna is continuously being expanded. According to the table of organization of the VfI, a total of 250 administrative personnel will ultimately work there. During the reported period, only 150 administrative personnel were employed at Pirna.

7. The 1955 budget of the Ministry of the Interior includes a sum of 240 million DME for the build-up of the air armament industry. This sum includes all costs involved in the build-up of this industry.
Prior to 1957, a total of 250 million DME are scheduled to be spent for construction work and equipment, done in behalf of the VfI:

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Enterprises	Investments for: Construction Work prior to 1957	Construction Work in 1955	Equipment in 1955
	in	million	D M E
VEB Maschinen- und Apparatebau at Dresden-Klotzsche	180	50.4	13.4
VEB Development Plant at Pirna	44	18	11.8
VEB Industriewerk Dresden-Nord	2	0.8	16.4
VEB Industriewerk Karl-Marx-Stadt	12.4	3.5	19.2
VEB Maschinen und Apparatebau at Schkeuditz	2.4	1.9	1.6
VEB Lommatzsch	1.2	1.2	2.1
VEB Freiberg	0.3	0.3	0.5
Fachschule fuer Leichtbau (technical college for light construction)	7.2	0.4	0.2
Total	249.5	76.5	65.2

Enterprises	Investments for 1955
Institute for Materials Administration for Industrial Requirements (VfI)	1
Institute for Radio and Air Navigation Equipment	0.5
Institute for Measuring and Testing Techniques	0.5
Institute for Standardization Matters	0.2
Technical Library	0.04
Central Designs Bureau for Electrical Equipment	0.1
Central Photographic Office	0.1
Total	2.54

Sums allocated for VfI include a total of 19.6 million DME for projecting work, general repairs, construction work in winter and the completion of construction projects started in previous years.

8. According to an overall time schedule, the following target dates were fixed for the manufacture of aircraft. By 1960, 300 to 400 IL-14 aircraft are to be manufactured. The first plane is to be completed by mid-1956. After that date, the aircraft production is to be raised to a monthly rate of 10 by mid-1957.

9. The following information was available on the further development of TL-152 type aircraft. Model TL-152 aircraft has been designed for a load of 40 tons. It will be equipped with two engines each with a thrust of 4,000 to 4,500 kg. The aircraft will be capable of a speed of 750 km/h. The aircraft, a commercial plane, will seat 30 to 35 passengers and will undergo flight tests in 1957. The flight tests are scheduled to be completed by June 1958. The experimental series of 3 to 5 type TL-152 aircraft are scheduled to be completed by the same date. Development work on this plane was started in the USSR and the arrival of construction records is expected any day.

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In regard to the enlargement of Dresden-Klotzsche airfield, it was learned, that an additional stretch of runway 1,000 m long would be built in 1956 for IL-14 aircraft, and a 3,500-meter stretch of runway for model TL-125 aircraft after 1957.

10. Another large commercial aircraft scheduled to be developed has the following specifications: The aircraft is to have four engines each with 5,500 kg thrust and will have a speed of 850 km/h. The craft will be able to carry 80 tons and 70 passengers. Target dates for the development of this project have not yet been entered in the overall time schedule.
The VEB Apparatebau at Lommatzsch is scheduled to manufacture 35 gliders in 1955. During the reported period, Reise and Grunau-Baby type gliders were being manufactured at Lommatzsch and a double-seater glider of unknown type was under development there. The enterprise employed about 50 workers.

11. While preparing production and development plans within the framework of the second plan, the chief and the deputy chiefs of VfI stated that the GDR and thus the VfI will be charged with the mission of producing commercial aircraft for the people's democracies and Red China. Professor Baade expressly stated that only the production of civil aircraft was involved. It appears that the aircraft plants scheduled to be set up in the GDR will be erected in the Dresden area. A reconstruction of the Junkers Aircraft Plant in Dessau is allegedly not intended because it is too close to the zonal boundary.

12. Originally only Bauunion Sued in Dresden which employs 6,000 construction workers was in charge of construction work undertaken in behalf of VfI. Since construction work made insufficient progress, Bauunion Halle was also utilized for VfI construction projects. The evacuation of factories using facilities which are earmarked for use by VfI is proving to be a great problem. Another difficult point is the recruitment of skilled workers for the aircraft industry. It will be necessary to transfer large numbers of skilled workers from all over the zone, especially the Dessau area, to the places of the new aircraft plants scheduled to be set up.

1. [redacted] Comment. The so-called Amt fuer Technik (technological office) probably is the Zentralamt fuer Forschung und Technik (Central Office for Research and Technology) (ZAFT), which is controlled by the State Planning Commission. ZAFT coordinates and approves development and research missions undertaken by the State Planning Commission, which receives its research tasks from the individual GDR ministries. ZAFT is not concerned with production work. It is therefore believed that the VfI is subordinate to ZAFT only in questions of research and development work. If the VfI is not yet subordinate to a specific ministry, it may also be controlled by ZAFT in questions of planning for aircraft production. The present report indicates that the VfI is directly subordinate to the Ministry of the Interior. According to another report, the VfI is still assigned to the Ministry for Machine Construction. It is believed that the VfI receives its orders and missions through the military agencies of the Ministry of the Interior, while all planning concerned with production is controlled by the Ministry of Machine Construction. 25X1

2. [redacted] Comment. There are indications that Paetzold is only the business manager of VfI and that Professor Baade, as technical manager, is at the same level of authority as Paetzold. In the 1953 table of organisation of ZAFT, Paetzold was listed as chief of the Central Budget Department. 25X1

[redacted] Comment: [redacted] Henry Hamrich is now plant director at Funkwerk Koepenick.) 25X1

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3. Comment. These data supplement and modify detailed information furnished previously.

4. Comment. Information on the organization of the department for air [redacted] development was transmitted previously.

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